

FIVE-YEAR STATEMENT OF HOSPITAL REVENUE AND EXPENSES

Michigan Department of Health & Human Services

CERTIFICATE OF NEED

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AUTHORITY: PA 368 of 1978, as amended COMPLETION: Is Voluntary , but is required to obtain a Certificate of Need. If NOT completed, a Certificate of Need will NOT be issued.	The Department of Health & Human Services is an equal opportunity employer, services and programs provider.
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INSTRUCTIONS

1. **Columns 1 and 2** - Provide revenue and expenses for the last two (2) completed years of operation for the total facility. Expenses for the last two (2) completed years, enter (IC) for those line items that are included in indirect cost. These data must agree with the audited financial statement supplied as part of this application. However, the line items for the last actual years may not agree with your accounting system.
3. **Columns 3, 4, and 5** will represent projections for the first three (3) years of operation for the total facility with the project in place. These years are not necessarily fiscal years or calendar years, but 12-month periods beginning when the project is in place. No inflation factor may be included in these projections.
4. Provide assumptions and rationale and the methods used in calculating the projections made for each line item in Columns 3, 4, and 5. The Number of Licensed Beds, Patient Days, Occupancy Level and Outpatient Visits must agree with the values used in CON-700.

In the projections for those line items that were included as indirect costs, provide any incremental increases on each line item as a result of this project. Therefore, projected indirect costs will be based on last actual year Medicare cost report, e.g., sq. ft. x rate, and will be added to the new incremental costs for total operating costs.

5. The depreciation and amortization Schedule 1100 is for this project only. Therefore, provide a capital expenditure budget for other assets not related to this project and the annual depreciation expenses.
6. In the absence of explanation of assumptions, the analysts reviewing the project will make their own assumptions based on data provided in this and other sections of the application and will complete the review on that basis.
7. Review data on revenue and expenses statement for conflict with that reported on other forms in the application.

FOR EXAMPLE:

- a. Does the depreciation expense reported on Line 19 of Page 4 agree with the depreciation and amortization schedule entries on Form CON-1100?
- b. Does the interest expenses reported on Line 20 agree with assumptions used in Section 1200?
- c. Do the FTEs (Full Time Equivalent positions) reported here agree with the Personnel Form (Form CON-600 of this application)?
- d. Do utilization data in Section 700 agree with utilization data used for Section 1100 financial forms?
- e. During preparation of a Certificate of Need application, figures and assumptions are sometimes revised. If you have made such revisions, have these changes been entered on all affected forms?

PROJECTIONS MADE FOR FIVE-YEAR STATEMENT OF REVENUE AND EXPENSES

REVENUE:

1. Inpatient Routine
2. Inpatient Ancillary
3. Outpatient Visits
4. Total Patient Revenue (No Response Required)
5. Allowance for Bad Debts
6. Allowance for Contracts
7. Net Patient Service Revenue (No Response Required)

8. Other Operating Revenue

9. Other Revenue

10. Total Revenue (Response Not Required)

EXPENSES:

11. Salaries and Wages

12. Fringe Benefits

13. Contractual Services

14. Other Professional Services

15. Utilities

16. Maintenance
17. Supplies
18. Administrative Services
19. Depreciation and Amortization
20. Interest
21. Insurance
22. Lease/Rent
23. Other

24. Total Operating Expenses (No Response Required)
25. Excess of Revenues Over / Under Expenses (No Response Required)
26. Number of Licensed Beds - must agree with CON-1108
27. Patient Days - must agree with CON-1108
28. Occupancy Level - must agree with CON-1108
29. FTEs - must agree with CON-600
30. Outpatient Visits - must agree with CON-1108

31. Average Charge / Inpatient Day

32. Average Charge / Outpatient Visit

33. Average Cost / Inpatient Day

34. Average Cost / Outpatient Visit

FIVE-YEAR STATEMENT OF HOSPITAL REVENUE AND EXPENSES FOR TOTAL FACILITY

	LAST TWO ACTUAL YEARS		PROJECTED		
	(1)	(2)	(3)	(4)	(5)
	From:	From:	1st 12 Months	2nd 12 Months	3rd 12 Months
	To:	To:			
REVENUE:					
1. Inpatient Routine	\$	\$	\$	\$	\$
2. Inpatient Ancillary					
3. Outpatient Visits					
4. TOTAL PATIENT REVENUE					
5. Less: Bad Debt Allowable					
6. Less: Contract Allowable					
7. NET PATIENT REVENUE					
8. Other Operating Revenue					
9. Other Revenue					
10. TOTAL REVENUE	\$	\$	\$	\$	\$
OPERATING EXPENSES:					
11. Salaries and Wages	\$	\$	\$	\$	\$
12. Fringe Benefits					
13. Contractual Services					
14. Other Professional Services					
15. Utilities					
16. Maintenance					
17. Supplies					
18. Administrative Services					
19. Depreciation / Amortization					
20. Interest					
21. Insurance					
22. Lease/Rent					
23. Other					
24. TOTAL OPERATING EXPENSES					
25. Excess of Revenue Over / Under Expenses	\$	\$	\$	\$	\$

**FIVE-YEAR STATEMENT OF HOSPITAL REVENUE AND EXPENSES FOR TOTAL FACILITY
(Continued)**

	LAST TWO ACTUAL YEARS		PROJECTED		
	(1)	(2)	(3)	(4)	(5)
	From:	From:	1st 12 Months	2nd 12 Months	3rd 12 Months
	To:	To:			
26. No. of Licensed Beds					
27. Patient Days					
28. Occupancy Level					
29. FTEs					
30. Outpatient Visits					
31. Average Charge / Inpatient Day					
32. Average Charge / Outpatient Visit					
33. Average Cost / Inpatient Day					
34. Average Cost / Outpatient Visit					